

# Chicago Builder

The Newsletter of the Home Builders Association of Greater Chicago



## September 2017

### Overregulated? Call the SBA Ombudsman

After testifying about over-regulation at a recent Small Business Administration round-table, Ohio builder Randy Strauss wants to make sure that builders know they [\*\*don't have to wait\*\*](#) for an invitation to let the feds know when things are a little haywire.

The mission of the SBA National [\*\*Ombudsman's office\*\*](#) is "to assist small businesses when they experience excessive or unfair

federal regulatory enforcement actions, such as repetitive audits or investigations, excessive fines, penalties, threats, retaliation or other unfair action by a federal agency," according to its website. "The SBA has an ombudsman," Strauss said. "I didn't know such a thing existed - that there is a federal agency out there that helps people out when you have a problem with a federal agency."

### Colorado Law Promotes Building Trades

A new law in Colorado aims to address one of the greatest challenges to recruiting skilled labor: dispelling the myth that all successful career paths require a college education.

The [\*\*Skills for Jobs Act\*\*](#) requires public schools to inform high school students about opportunities in trade schools and military service, and what

they need to do follow these rewarding career paths.

"We believe that every little bit helps change the myth that everyone should rack up massive college debt instead of entering the world of construction trades and generating positive income and a rewarding career," said Scott Smith, CEO of the Colorado Association of Home Builders.

### NEW MEMBERS

Stanton Chase International  
LG Construction +  
Development  
INTEGRO REHAB LLC  
K.Hovnanian Homes  
Cosentino  
Munch Supply  
Domain Properties LLC  
Victor O. Schinnerer & Co.  
Neighborhoods.com  
Sierra Pacific Windows  
Goliath Tech Screw Piles

## NAHB Offers Stormwater Compliance Guide

As stormwater regulations become more complex, NAHB wants to make sure that its members are up to date on compliance requirements and ready to advocate for smart, flexible and affordable rules when state permits come up for renewal.

To that end, NAHB has developed a [new stormwater toolkit](#) to help members and their state and local associations make the case for programs that help meet water quality goals, reduce redundancy, and provide a clear path to compliance. The toolkit includes:

- "Stormwater 101" – an introduction to the topic.
- A look at EPA's small lot template, a streamlined approach for smaller projects.
- State-by-state breakdowns of national permitting trends.
- Tips for how to make green infrastructure, also known as low-impact development, work in your community.

## New Silica Rule Goes Into Effect Sept. 23

NAHB is advising its members to be prepared as enforcement of the [silica rule](#) in construction is scheduled to begin Sept. 23.

The rule was originally scheduled to go into effect for the construction sector on June 23, but OSHA issued a 90-day delay. Some state-run OSHA programs, such as Virginia's, have chosen not to follow OSHA's enforcement delay

and are already implementing the standard in their state plans.

State-run OSHA programs have six months to adopt the federal rule or develop one that is equally effective.

NAHB's legal challenge on the silica rule is still pending. The case is scheduled to be argued before the court on Sept. 26.

## Judge Strikes Down Obama Overtime Rule

A federal judge has struck down the Obama administration's [overtime rule](#) that would have doubled the salary threshold for workers to be able to receive overtime pay.

The Obama administration's final rule that was set to take effect Dec. 1, 2016, raised the salary threshold for executive,

administrative, or professional workers to receive overtime pay from \$23,660 to \$47,476.

Last year, NAHB joined other business groups in a lawsuit in federal court challenging the overtime rule. As a result, the rule has not been implemented because a judge issued a preliminary injunction against it.

## Promote Careers In Construction

NAHB is inviting all student members and local associations to join us in celebrating Careers in Construction Month in October. The goal is to get involved in your community to help increase public awareness of the opportunities available in construction trades professions.

The [Careers in Construction Month Toolkit](#) provides easy ideas to promote construction careers in your community.

## HUD Suspends FMRs For Two Years

In a move that should benefit multifamily builders, HUD has announced a [two-year suspension](#) in the use of Small Area Fair Market Rents (FMRs) as a guide for public housing agencies in determining their subsidy payment standards in the Housing Choice Voucher program.

NAHB applauds HUD's decision to delay implementation of this controversial program. NAHB has repeatedly raised concerns about potential voucher program cost increases and negative impacts on families in less affluent areas.

It is important to note that only the mandatory implementation of Small Area FMRs is affected by the suspension. All other provisions of the final rule remain in effect.

# NAHB and Its Members Respond to Hurricane Harvey

The National Association of Home Builders stands with the people of Houston and all of the Gulf Coast in this difficult time. NAHB pledges to be active in the effort to rebuild the region's homes and communities and to help make them better than ever.

"In light of the White House announcement that 100,000 homes were damaged by Hurricane Harvey, I call on all stakeholders to work together during the long and arduous [process of rebuilding](#) the homes and communities devastated by the storm," said NAHB Chairman Granger MacDonald.

"The flooding caused by the hurricane has left behind unprecedented damage. Rebuilding will be a costly and complex process demanding hard work, sacrifice and creative solutions," he said. "This is the time for the business community, government and individuals to work cooperatively toward the shared goal of restoring the communities along the Gulf Coast.

"This is a multifaceted challenge. It will touch on finance; insurance; building technology; local, state and federal laws and regulations and numerous other sectors and processes," MacDonald said.



**A neighborhood north of Beaumont, Texas, flooded by rains from Hurricane Harvey.**

Already, HBAs and individual builders across the nation are offering their help. The HBA of Delaware, working with member moving company Two Guys and a Truck, filled a large van with cleaning supplies and other necessities provided by HBA members. Members of the Hopkins County HBA in Kentucky, in conjunction with member company Madisonville Garage Doors, sent two trucks loaded with supplies to Texas.

## Who Buys Homes? Who Rents?

To understand a housing market, it is important to know where buyers of homes and new tenants in rental housing "originate."

NAHB Senior Economist Paul Emrath, Ph.D., has looked at the HUD/Census Bureau American Housing Survey (AHS). The AHS is one of the few data sources that captures information about the previous, as well as current, residences of home owners and renters.

Emrath found that overall, 52 percent of recent movers in the AHS are former renters, 20 percent are former owners, and 19 percent are new households (the data are missing for the remaining 9%). Owners of existing homes account for 51 percent of the market for newly built homes.

His [full report](#), including lots of charts and graphs, is available to the public as a courtesy of [HousingEconomics.com](http://HousingEconomics.com).

## New Homes are Getting Smaller

The median square footage of a new single-family home grew from 2,135 in 2009 to 2,467 in 2015. But over the last two years, new home size has decreased to 2,388 square feet.

The reason is simple: Following the recession, buyers of large, higher-end homes made up a greater proportion of the housing market. But in recent years, demand for smaller, entry-level homes has increased as the economy strengthens.

NAHB Chief Economist Robert Dietz noted in a recent [Eye on Housing post](#) that this rise and fall in home size is consistent with historical patterns in the wake of a recession.

The findings on home size are based on second quarter 2017 data from the Census Quarterly Starts and Completions by Purpose and Design report and NAHB analysis.

## Potential Downsides of the Connected Home

For most home shoppers, owning a smart home is no longer a dream — it's an expectation. Particularly among younger generations who have lived most of their lives in the digital era, staying connected is a way of life. So it's no surprise they want their [homes to be connected](#), too.

But with the potential for massive data collection, major variations in product quality, and a dependence on software and software updates, there are some important ramifications for builders to consider.

Stephen Embry, a partner with the law firm of Frost Brown Todd in Lexington, Ky., and Grayling Love II, product line manager at Eaton Corporation in Peachtree City, Ga., discussed these issues with NAHB's Construction Liability, Risk Management and Building Materials Committee at the 2017 Midyear Meeting. The [full text of this Q and A](#) is available on the NAHB website.

Some of these risks are presented by the hardware — the device itself, Embry explains. Some are presented by the software that runs the devices. And some are presented by the massive amounts of data generated and collected. So there are several concerns:

To the extent there are laws and regulations, they are being enacted by many different agencies, resulting in a hodgepodge of rules with no consistent regulatory or legal direction. And there are very few cases outlining liability and how judges and juries may treat liability questions.

Some devices are being designed and made without considering the risk of the devices being exploited or, in common parlance, hacked. This can result in devices like baby monitors or TVs being hijacked.

## NAHB Calls for Comprehensive Immigration Reform

Granger MacDonald, chairman of the National Association of Home Builders and a home builder and developer from Kerrville, Texas, issued the following statement after the Trump administration announced it would wind down the Deferred Action for Childhood Arrivals (DACA) program, which has allowed young people known as "Dreamers," who were brought to the U.S. illegally as children, to live and work here:

"President Trump's call to Congress to find a permanent legislative solution to protect the 'Dreamers' underscores the urgent need for lawmakers to pass comprehensive [immigration reform](#). Given the chronic shortage of residential construction workers, there has never been a more critical time for Congress to enact effective reforms that would help revitalize the economy and boost the housing sector.

"NAHB believes that any comprehensive reform should protect our nation's borders; include a new, market-based visa program that would fill labor gaps to ensure that the nation has a workforce that is sufficient to meet its housing construction and restoration needs; and provide a workable employment verification system. A successful guest worker program will help alleviate the current labor shortage in the residential construction sector, quicken the rebuilding efforts in Texas and support the overall economic growth of this nation."

## CALENDAR OF EVENTS

### [AIA OPEN HOUSE](#)

Tuesday Sep 19, 2017

### [HBAI Senior Officers Meeting & bod meeting](#)

Thursday Sep 21, 2017

### [GOLF OUTING LAKE GENEVA](#)

Friday Sep 22, 2017

### [CITY TROLLEY TOUR](#)

Thursday Sep 28, 2017

### [Design Chicago](#)

Tuesday Oct 3, 2017 -  
Wednesday Oct 4, 2017

### [Chicago VIP Luxury Gala](#)

Wednesday Oct 4, 2017

### [HBAI Leadership Conference](#)

Wednesday Oct 18, 2017

### [Board meeting regional](#)

Wednesday Oct 18, 2017

### [CYBER INSURANCE](#)

Tuesday Oct 24, 2017 -  
Thursday Oct 26, 2017

### [CAPS I MARKETING & COMMUNICATION](#)

Wednesday Oct 25, 2017

### [CAPS II DESIGN & BUILD SOLUTIONS FOR AGING 7 ACCESSIBILITY](#)

Thursday Oct 26, 2017